

**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 11-01

Insurance coverage for autism and autism spectrum disorders

Issued Jan. 3, 2011

To: Health insurance companies, health service corporations, health maintenance organizations, third party administrators, medical providers and the public

From: John M. Huff, Director

Re: [Section 376.1224](#), insurance coverage for autism and autism spectrum disorders

In the 2010 legislative session, the Missouri legislature enacted House Bills 1311 and 1341, which mandate insurance coverage for various treatments for autism and autism spectrum disorders, in addition to establishing a licensure process for certain providers of autism services.

The insurance coverage provisions of the legislation go into effect for policies which are written, issued, or renewed on or after Jan. 1, 2011.

As the insurance industry implements the provisions of this law, the Department has been asked to provide guidance to the industry and the public as to certain provisions of the law.

Claim coding

The Department is not aware of established procedural codes specific to Applied Behavior Analysis (ABA). Medical providers and the insurance industry rely upon these procedural codes to effectuate the billing and payment of insurance claims.

The Department has been advised that a majority of the top 10 insurance companies in the state of Missouri intend to rely upon HCPCS (Healthcare Common Procedure Coding System) Codes H0031, H0032, H2012, and H2019 for billing and payment of insurance claims related to ABA therapy.

Code	Long description
H0031	Mental health assessment, by non-physician
H0032	Mental health service plan development by non-physician
H2012	Behavioral health day treatment, per hour
H2019	Therapeutic behavioral services, per 15 minutes

By the issuance of this bulletin, the Department wishes to acknowledge and publicize the prevalent reliance upon these HCPCS codes and encourage the industry to, wherever possible, recognize and accept these procedural codes. The usage of these codes will provide uniformity within the industry and will also reduce confusion within the medical provider community.

If any insurance companies are not able to utilize these HCPCS codes, the Department encourages these companies to make information readily available to providers, both in- and out-of-network, to disclose what codes providers should utilize for ABA services to facilitate the prompt processing and payment of claims.

Failure to provide care and improper claim denials

The Department remains concerned about and will closely monitor the delivery of autism related services and consumer complaints to ensure no unnecessary barriers to medically necessary treatment or coverage restrictions are imposed by any insurance company. This would include denials based upon a mere administrative technicality, such as if a provider or insured provides all of the essential information necessary to review or evaluate a claim or treatment, but fails to complete a specific form. Any consumer or provider complaints received by Consumer Affairs that indicate inappropriate denials or coverage restrictions will be **immediately** forwarded to the Market Conduct Section for investigation and the company may be subject to an enforcement action.

Transitional and implementation concerns

The Department has also received inquiries from parents and providers as to what will happen on Jan. 1, 2011, to those children that are currently receiving treatments for autism or autism spectrum disorders, including ABA therapy. There is a concern that children in this situation may face an interruption in treatment. An interruption may occur while transitioning to the new coverage available under Section 374.1224 RSMo., while the provider seeks licensure under the new law or while the provider is completing the provider credentialing process.

The Department encourages companies to exercise flexibility in accommodating children in these situations. Companies can make accommodations for providers who have undertaken the measures necessary to become licensed and/or credentialed. Companies may also choose to waive existing prior authorization or pre-certification requirements, relying instead upon retrospective reviews for determinations of medical necessity.

The Department encourages and welcomes such accommodations to help ensure that those children currently undergoing treatment will not see an interruption in their treatment on or immediately after Jan. 1, 2011. For those carriers instituting a temporary modification or deviation to their practices or procedures to accommodate these individuals, the Department will extend a “safe harbor” of one year from the date of this bulletin from any enforcement or disciplinary action related to those temporary modifications or deviations.



DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 11-02

Personal lines premium stabilization of renewal policies

Issued Jan. 7, 2011

To: All companies licensed to write property and casualty insurance in Missouri

From: John M. Huff, Director

Re: Personal lines premium stabilization of renewal policies

The Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP) is issuing this no-action bulletin to inform insurers acting within certain guidelines with respect to personal lines premium stabilization plans. If the insurance industry complies with the guidelines set forth in this no-action bulletin, the DIFP will not take enforcement action against the entity for rating plan violations.

Carriers use premium stabilization plans within their rating plans to moderate the transition between renewals for existing customers. Premium stabilization plans balance new actuarial information and the existing customer's renewal premium expectation. This no-action bulletin provides operating guidelines to address the capping of individual rate changes at renewal.

Scope: This no-action bulletin applies to personal lines insurance rate filings that include rate limitations on renewal business. The capping of actuarial selections is not within the scope of this bulletin. For the purposes of this bulletin, personal lines insurance includes private passenger auto (including motorcycle) and non-commercial dwelling (including dwelling fire and allied lines, homeowners, mobile homeowners, condo, renters, and earthquake). "Renewal business" of a company means an insured of the company that was also insured by the company for the same kind of coverage immediately prior to the effective date of the insured's coverage. The DIFP will individually review rate limitations not included in the scope of this bulletin.

"Premium stabilization" means a rule in a rating/underwriting plan that reduces premium changes of renewal business on an exposure-by-exposure or a policy-by-policy basis where such premium changes are caused by changes in the rating or risk classification of the exposure or changes in the carrier's rating plan, or both.

The DIFP will not take enforcement action against insurers utilizing rate capping to stabilize personal lines insurance rates charged to renewal business if the stabilization plan is implemented under the following guidelines:

- 1) The proposed premium stabilization plan must be unambiguous and applied uniformly and fairly to all renewal business.
- 2) The proposed premium stabilization plan, as filed, should be rate neutral or result in a rate decrease.
- 3) The proposed premium stabilization plan, as filed, should result in individual policy premiums converging with their filed premium within four years (four renewal cycles for annual policies or eight renewal cycles for semi-annual policies). The convergence with the filed rates should be accomplished smoothly.
- 4) The insurer shall provide a rule in its rate manual detailing the application of rate-capping. This rule shall be clear and shall specify:
 - a. The caps, if applicable;
 - b. The formula or methodology for the rate-capping calculation; and
 - c. The duration of the rate-capping procedure, e.g., three renewal cycles.
- 5) Carriers may modify existing premium stabilization plans with subsequent rate revisions, and such modifications may include new premium stabilization plans that result in individual policy premiums reaching their filed premium within four years of the filing of the modification. Any subsequent change to the rate-capping rule would be made by filing with the DIFP. This provision will basically allow for a practical reset. The first reset on an existing plan will replace the existing plan; carriers cannot have more than one plan active at the same time.
- 6) The insurer shall disclose to the DIFP the impact of the proposed capped rate changes over future renewal periods until the capping process ends by submitting the Documentation of Renewal Business Rate Limitation Plan (attached) in its rate filing.
- 7) The disclosure shall include projections of premiums, percentage changes, dollar changes, and number of policies impacted for each future renewal period. To prepare this disclosure, the insurer shall make the assumption that its current book of business is fully retained and renewed into the future, until the capping process ends.
- 8) All standard filing transmittal forms shall show the overall percentage and dollar rate impacts on an **uncapped** basis. This applies to any and all pre-determined state-mandated forms required to be completed by the insurer and transmitted with the filing.
- 9) In a rate filing, when a rate-capping rule has lowered historical premiums, the insurer's actuary shall attest that the actuarial indication does not redundantly measure rate need. The actuarial method to adjust premium to current rate levels shall first and explicitly adjust premium to remove the effects of rate-capping, and then adjust the uncapped premiums to current levels.

This no-action bulletin expires on December 31, 2012.

EXAMPLE:

Suppose a company wishes to impose a cap of +10% per semi-annum and currently has two semiannual policies:

<u>Policy #</u>	<u>Premium</u>		<u>%Change</u>		<u>\$ Change</u>
1	\$1,000	+	5%	+	\$50
2	\$2,000	+	50%	+	\$1,000
Total	\$3,000	+	35%	+	\$1,050

Then the insurer shall show the following three tables (or Table 3 at a minimum) in its filing:

UNCAPPED POLICIES (Table 1)

(A) Semiannual Renewal Period	(B) Premium Subject to Change	(C) % Change	(D) \$ Change	(E) Impacted Number of Policies
1	1,000	+5.0%	+50	1
2	1,050	+0.0%	+0	0
3	1,050	+0.0%	+0	0
4	1,050	+0.0%	+0	0
5	1,050	+0.0%	+0	0
6	1,050	+0.0%	+0	0
All periods	1,000	+5.0%	+50	1

Rescinded and Inoperative

CAPPED POLICIES (Table 2)

(A) Semiannual Renewal Period	(B) Premium Subject to Change	(C) % Change	(D) \$ Change	(E) Impacted Number of Policies
1	2,000	+10.0%	+ 200	1
2	2,200	+10.0%	+ 220	1
3	2,420	+10.0%	+ 242	1
4	2,662	+10.0%	+ 266	1
5	2,928	+ 2.5%	+ 72	1
6	3,000	+ 0.0%	+ 0	0
All Periods	2,000	+50.0%	+1,000	1

UNCAPPED + CAPPED POLICIES (Table 3)

(A) Semiannual Renewal <u>Period</u>	(B) Premium Subject to <u>Change</u> % <u>Change</u>	(C) <u>\$ Change</u>	(D) <u>\$ Change</u>	(E) Impacted Number of <u>Policies</u>
1	3,000	+ 8.3%	+ 250	2
2	3,250	+ 6.8%	+ 220	1
3	3,470	+ 7.0%	+ 242	1
4	3,712	+ 7.2%	+ 266	1
5	3,978	+ 1.8%	+ 72	1
6	4,050	+ 0.0%	+ 0	0
All Periods	3,000	+35.0%	+1,050	2

Rescinded and Inoperative

NOTES

(1) (C) = (D) / (B)

(2) For All Periods rows:

(B) = (B) for Semiannual Renewal Period 1

(C) = Multiplicative combination of (C) for all Semiannual Renewal Periods

(e.g., in Table 2, +50.0% = 1.100 x 1.100 x 1.100 x 1.100 x 1.025 - 1.000)

(D) = Sum of (D) for all Semiannual Renewal Periods

(E) = (E) for Semiannual Renewal Period 1

(3) Table 3 = Table 1 + Table 2, except that note (1) above applies

Documentation of Renewal Business Rate Limitation Plan

1. Identify the following:

- a. Company Name: _____
- b. Company NAIC code: _____
- c. Filing ID: _____
- d. Date of Filing: _____
- e. Type of Coverage: _____
- f. If this is a modification, provide the previous rate limitation plan
- g. modification effective dates and Filing ID (oldest = Plan A to newest, up to 4 modifications):
 - Plan A. _____
 - Plan B. _____
 - Plan C. _____
 - Plan D. _____
- h. Contact person: _____
- i. Actuary responsible for this Documentation: _____

Rescinded and Inoperative

2. Provide the proposed rate limitation rule in the rate manual detailing the application of the rate limitation plan. This rule shall be clear and shall specify:
- a. The formula or methodology for the rate-capping calculation;
 - b. The caps, if applicable; and
 - c. The duration of the rate-capping procedure, e.g., two renewal cycles.

3. Previous rate limitation plan – applicable only if a rate limitation plan is currently in effect.

Please provide the following information relating to rates effective at time of filing for the type of business. Please provide supporting documentation explaining the data, methods and assumptions used. If this information is not available, provide suitable substitute information.

Effective date of currently effective rates: _____

(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(5) - 1
Row Letter	Period		Written Exposures	Written Premium in Period Under Rates Without Rate Limitation	Written Premium in Period Under Rates Subject to Limitation	Percent Impact
	From	To				
Plan A.						
Plan B.						
Plan C.						
Plan D.						

Note: the periods listed in rows A, B, C and D should span the period that the plan has been in effect.

4. Please provide the following information relating to proposed rates in Missouri for the type of business. Please provide supporting documentation explaining the data, methods and assumptions used. If this information is not available, provide suitable substitute information.

Estimated Impact on Policies Written During the Projection Period					
Projection Period: From Policy Effective Date to One Year Later					
	(1)	(2)	(3)	(4)	(5)
	Number of Exposures	Average Written Premium in Projection Period			
		Under Present Filed Rates Without Limitation	Under Proposed Filed Rates Without Limitation	Under Present Rates Subject to Present Limitation	Under Proposed Rates Subject to Proposed Limitation
A. New Business After Filing Effective Date.*					
B. Renewal Business After Filing Effective Date					
C. Total. (2) to (5) are Expo Weighted Averages					

*Note for Row A new business, (4) = (2) and (5) = (3). If not, please explain.

	(6) <u>New</u>	(7) <u>Renewal</u>	(8) <u>Total</u>
D. Change in Premium Not Subject to Limitation (3) / (2) -1			
E. Impact of Present Rate Limitation (4) / (2) -1	N/A		N/A
F. Impact of Proposed Rate Limitation (5) / (3) -1	N/A		N/A
G. Change in Actual Premium (5) / (4) -1			



DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 11-03

Executive Order 11-12 implementation May 27, 2011

To: All individuals and entities regulated by the Department
From: John M. Huff, Director
Re: Executive Order 11-12 implementation

The tornado and severe storms that occurred on May 22, 2011, in the City of Joplin have produced a disruption in the insurance industry, resulting in many people in Jasper and Newton counties being unable to timely act or respond to their insurance needs and make timely premium payments on their insurance policies. They also caused disruptions in the notification process required by insurance statutes and regulations relating to cancellations, nonrenewals, reinstatements, and claims adjudication.

Pursuant to [Executive Order 11-12](#), signed by Governor Jeremiah W. (Jay) Nixon on May 26, 2011, the Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (Department) has the authority to temporarily waive, suspend and/or modify the operation of statutes and regulations under his purview in order to best serve the interests of the public health, safety and welfare to effectuate Executive Order 11-12. The Department is issuing this Bulletin to assist individuals and entities regulated by the Department as they implement the Executive Order for insureds in Jasper and Newton counties.

The following applies to all public adjusters and all insurers, including, but not limited to, health maintenance organizations (HMOs), health service corporations (HSCs), utilization review agents, health and accident insurers, long-term care carriers, third party administrators (TPAs), discount medical plan organizations, property and casualty insurers, surplus lines insurers, county, town and farmers' mutual property insurance companies, and any and all other entities doing business in Missouri and/or regulated by the Department, regarding any and all types of insurance, including, but not limited to,

homeowners insurance, life insurance, health and accident insurance, limited benefit insurance, individual and group disability insurance, Medicare Supplement insurance, property and casualty insurance, HMO policies, discount medical plans, excess loss insurance, stop loss insurance, long-term care insurance, personal property insurance, commercial liability insurance, general liability insurance, workers' compensation insurance, fire and extended coverage insurance, title insurance, marine and transportation insurance, credit life insurance, medical supplement insurance, credit property and casualty insurance, annuity insurance, professional and medical malpractice insurance, and any and all other insurance-related entities regulated by the Department.

- 1. Coverage for insureds in Jasper and Newton counties shall continue under all insurance policies in effect immediately preceding the severe storms occurring on May 22, 2011, and shall remain in effect until such time as Executive Order 11-12 is terminated.**

Insurers cannot cancel, nonrenew, or terminate coverage while this Bulletin is in effect. This period of time is a grace period during which consumers can take those actions necessary to keep their policies in force.

- 2. Insureds in Jasper and Newton counties may request and obtain a copy of any of their insurance policies free of charge**

This provision is self-explanatory.

Rescinded and Inoperative

- 3. Any rate increase for insurance policies in Jasper and Newton counties with an effective date on or after May 22, 2011, shall be deferred during the pendency of this emergency. The coverage shall remain in effect at the previously established rate.**

Rate increases filed with the Department with an effective date on or after May 22, 2011, shall be ineffective until the emergency terminates.

The Department recognizes that rating territories and counties are not necessarily aligned and that insurers may have difficulty identifying and extracting policies in Jasper and Newton counties. Additionally, some insureds may have already received a notification or a policy containing a rate increase with an effective date on or after May 22, 2011, or some insureds may have already made a payment based on the increased rate. Pursuant to the Executive Order, insurers may not collect, and if collected must refund, rate increases effective on or after May 22, 2011.

If an insurer has concerns with renewals issued prior to May 22, 2011, with an effective date falling within the emergency period, please contact the Department to discuss a proposed compliance plan of action.

- 4. When prescription drug coverage exists for insureds of Jasper and Newton county, insurers shall allow insureds to obtain refills of their prescriptions even if the prescription was recently filled.**

Consumers may not have access to their prescription medications as a result of storm damage. Insurers should work with consumers to provide coverage for replacement medications.

- 5. Any licensed public adjuster performing services in Jasper or Newton counties shall exhibit their adjuster license to any prospective client before entering into any contract for the performance of or before performing adjustment or settlement services.**

This provision protects consumers from unlicensed adjustment activity. In Missouri, public adjusters must pass a competency test, pay a bond, and pay an application fee before being licensed by the Department. Application information is available on the [Department website](#).

- 6. No licensed public adjuster performing adjustment or settlement services in Jasper or Newton counties may contact any insured for fourteen (14) days from the date of Executive Order 11-12.**

Consumers are understandably distraught over personal or property losses related to the Joplin tornado. This provision provides consumers a period of time during which they will not be subjected to the risk of undue influence, intimidation or over-reaching and after which they will have an opportunity to evaluate available alternatives with reasoned judgment and appropriate self-interest. If a consumer is solicited by a public adjuster before June 9, 2011, or if you have questions, please call the Department's Insurance Consumer Hotline at 800-726-7390 or [file a complaint](#) at www.insurance.mo.gov.

- 7. No person required to be licensed as a public adjuster by the Department shall receive as consideration for such adjusting or settling in Jasper or Newton counties more than five percent (5%) of any amounts paid by an insurance company with respect to such property claim.**

Some public adjusters charge an hourly or flat fee. Other public adjusters are paid a percentage of the amount an insurance company pays the insured with respect to an insurance claim. This provision caps public adjuster compensation at 5 percent of the claim payment.

Rescinded and Inoperative

8. **No person required to be licensed as a public adjuster by the Department shall require the insured to pay a fee in advance of the payment of the insurance company with respect to a claim in Jasper or Newton counties.**

This provision is self-explanatory.

9. **The insured has the right to cancel any contract with a licensed public adjuster performing adjustment or settlement services in Jasper or Newton counties up to fourteen (14) days from the date the insured signed any contract.**

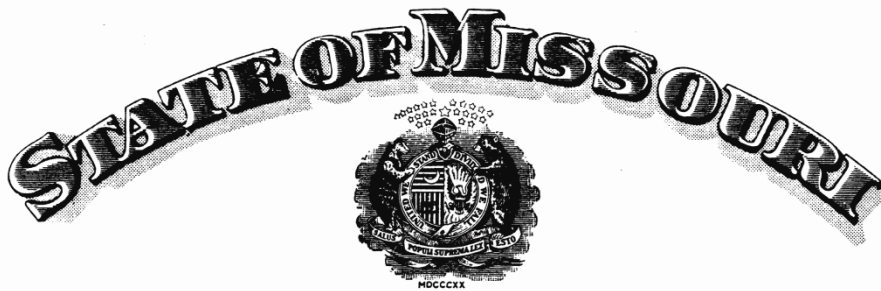
Consumers have the right to cancel any contract with a public adjuster without providing an explanation. If a consumer changes his or her mind about a public adjuster contract, the consumer should notify the public adjuster as soon as possible.

Failure to comply with the requirements of Executive Order 11-12 may subject an individual or entity to penalties set forth in §44.130, and those penalties authorized in Chapters 287, 325, 354, and 374 through 385, RSMo.

If you have questions or concerns, please call Carolyn Kerr at 573-751-2619 or [e-mail](mailto:Carolyn.Kerr@insurance.mo.gov) her at Carolyn.Kerr@insurance.mo.gov.

Rescinded and Inoperative

This Bulletin is effective until June 20, 2011, unless relevant portions of Executive Order 11-12 are extended by the Governor.



DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 11-04

Preservation of property

Issued July 1, 2011

To: All property and casualty insurers

From: John M. Huff, Director

Re: Preservation of property

Missouri has experienced a number of devastating natural disasters this year including widespread flooding, severe storms and tornadoes. These natural disasters have left many Missourians coping with death, injuries and property damage.

With regard to property coverage, (homeowners, renters, condo, mobile home, etc.), there are limitations of coverage for personal property (contents) removed from the insured premises. These same policies also exclude coverage for neglect of property and may additionally have provisions that require the preservation of property.

To avoid penalizing policyholders facing the threat of predicted flooding and in disaster areas who take measures to protect and secure their property, the director strongly encourages insurance companies to extend the full limit of personal property (contents) coverage to property stored off premises. This is similar to actions taken in Iowa, Nebraska and North and South Dakota.

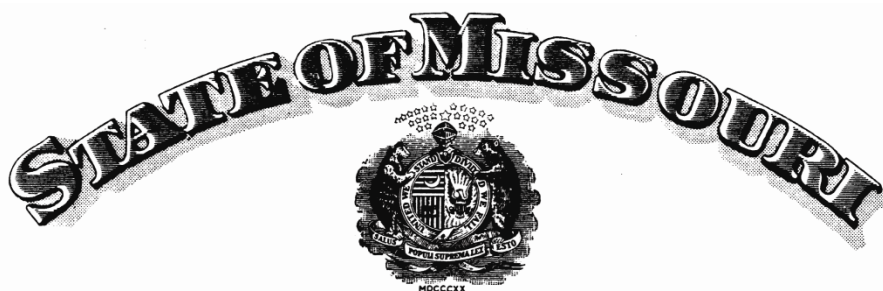
If an insurer extends coverage in this manner, such extension of coverage may be in accordance with all other applicable policy provisions. For instance, there would be no expectation of coverage for perils not otherwise covered by the policy or an expectation of modifications to deductibles that may otherwise apply to the property loss. It is the policyholder's responsibility to store the property in a safe

and secure location. It is also the policyholder's responsibility to comply with their other obligations under the policy.

The director also strongly supports insurers giving policyholders impacted by a disaster a reasonable amount of time to complete repairs necessary to make the insured premises habitable and secure in order to return the property to its usual location. If, for reasons such as administrative efficiency, an insurer extends coverage on a wider basis throughout the state, the director would likewise be supportive of such measures.

To enable the Department to effectively address consumer inquiries and concerns regarding their property and insurance coverage, the director requests any insurer **not** extending additional coverage to promptly notify the Division of Consumer Affairs at consumeraffairs@insurance.mo.gov.

Rescinded and Inoperative



DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 11-06

Standards for the prompt, fair and equitable settlements applicable to property insurance following a disaster

Issued Nov. 21, 2011

To: All licensed insurance companies authorized to sell property coverage that offer replacement cost value (RCV) policies, all licensed producers and agencies, and the public

From: John M. Huff, Director

Re: Handling of property loss claims following the Joplin tornado

The tornado that struck the Joplin area on May 22, 2011, “caused a natural disaster of historic proportions,” according to Governor Nixon’s executive orders issued following the storms. These severe storms destroyed businesses, schools and thousands of homes, and caused significant personal property losses in Jasper and Newton counties. By all accounts, it will be the largest insurance event in Missouri history and the insurance industry’s response to the Joplin losses has been commendable. Despite that general laudatory response, a claims-related issue has arisen.

Missouri law defines and prohibits improper claims practices, including the failure by insurance companies “to effectuate prompt, fair and equitable settlement of claims,” §375.1007(4), RSMo. The Director is authorized to commence regulatory actions against companies that violate this law. §375.1010, RSMo. Similarly, if the Director believes that a county, town, or farm mutual company “may be conducting its affairs in a manner contrary to law or detrimental to the interests of the policyholders,” §380.491, RSMo, authorizes him to call an examination of the company’s business practices and consider the applicability of Missouri’s Merchandising Practices Act to those companies using or employing any “unfair practice ... in connection with the sale or advertisement of any merchandise in trade or commerce.” §407.020.1, RSMo. Under that statute, an alleged unfair act can be unlawful “whether committed before, during or after the sale, advertisement or solicitation.” *Id.*

Policies covering personal and commercial structures and contents typically provide insurance coverage on an actual cash value (ACV) or replacement cost value (RCV) basis. Typically, ACV is paid upon proof of loss, with the difference between ACV and RCV being paid upon actual repair or replacement of the damaged property. Policies providing RCV coverage commonly include language that requires the insured to repair or replace the property within a specified period of time. The Department is aware that some policies contain RCV time limitations as short as six months following the loss, while other policies contain RCV time limitations as long as 24 months.

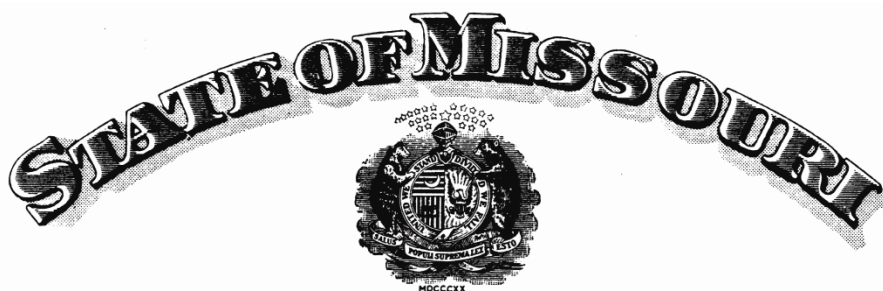
In certain circumstances these time limitations encourage the prompt evaluation and settlement of claims, serve to get insureds back onto the property, and allow the insurance company to resolve outstanding liabilities and mitigate damages for both parties. In other circumstances, these time limitations may operate to unfairly deny insureds insurance benefits they have paid for. In particular, consider that in the Joplin area people were prevented from accessing their real property for a period of time while cleanup and debris removal were accomplished and that building permits were unavailable for a considerable period of time following the storm.

Furthermore, the scope of the disaster initially left the area with an insufficient quantity of contractors and materials to immediately begin rebuilding activities. While some insurance companies have already extended their RCV time limitations period in the context of this disastrous storm, the abolition of some policies' shorter RCV time limitations by other companies could result in an unfair settlement practice in the scope of the disaster that struck Jasper and Newton counties.

To avoid some of the uncertainty attendant to this situation, the Department does not anticipate that it will bring regulatory enforcement actions against insurers utilizing a minimum RCV time limitation of 12 months or longer. While this time period may not be sufficient in all circumstances for insureds to repair or replace their insured property, it is the Department's expectation that the majority of claims can be resolved in this time period. Those carriers extending their RCV time limitation period in the Joplin area to 12 months or longer, will not be subject to Department enforcement or disciplinary action because they retain their shorter contractual RCV time limitation period outside the Joplin area.

The Department encourages insureds to repair and replace their property expeditiously. The Department will carefully monitor the recovery efforts in Joplin, the needs of its residents and market conditions through the next several months and as we approach the one-year anniversary of the May 22 tornado. It will also continue to closely monitor claims settlements and consumer complaints following the tornado affecting the Joplin area and may take additional measures as necessary.

If you have questions regarding this communication, please contact Angela Nelson at insurance.mo.gov/help/comments.php or toll-free at 800-726-7390.



DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 11-07

Motor vehicle extended service contract producer licensing

Issued Dec. 16, 2011

To: Motor vehicle extended service contract producers

From: John M. Huff, Director

Re: Motor vehicle extended service contract producer licensing

Rescinded and Inoperative

Due to problems in the motor vehicle extended service contract (MVESC) industry resulting in consumer harm and numerous lawsuits, the legislature passed and Governor Jeremiah W. (Jay) Nixon signed into law Senate Bill 132, which requires that certain individuals and businesses marketing MVESCs obtain a license from the DIFP. The new statute and its MVESC licensing provisions take effect Jan. 1, 2012, but the statute does not create or address a transition period between the current unlicensed MVESC marketplace and the post-Dec. 31 licensed and regulated marketplace.

The DIFP is charged with investigating license applications to ensure that only qualified applicants are granted licenses to sell MVESCs for the purpose of protecting consumers. Consistent with its statutory authority, the DIFP has created a process whereby a large number of licensing decisions will be publicly available on Jan. 1, 2012. However, given the number of applicants and the fact that some of these applications will require investigation, not every applicant will have a licensing decision on Jan. 1, 2012.

While Senate Bill 132 prohibits the selling of certain MVESCs without a license, DIFP has been made aware of significant concerns about applying that prohibition to those with pending but unresolved license applications. In order to accomplish a transition from an unlicensed marketplace to a licensed one and complete necessary applicant investigations, the DIFP will not take enforcement action against any licensure applicant solely for engaging in unlicensed MVESC activity if the DIFP receives a **complete application** from the individual or business entity MVESC producer on or before **Dec. 30, 2011**.

DIFP urges any MVESC applicant who has submitted an incomplete application to submit a complete application on or before Dec. 30, 2011.

This no-action bulletin does not insulate an applicant from enforcement action initiated by the DIFP unrelated to licensure status. When the DIFP has completed its investigation of an applicant, the applicant will be notified that the license has been granted or refused. At that point, this bulletin will no longer apply to that applicant. If the applicant is denied licensure, the applicant will again be subject to disciplinary or civil action by the DIFP for any unlicensed marketing of MVESCs.

If you have any questions, please call Andy Heitmann at 573-751-2619.

Rescinded and Inoperative



**DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 11-08

Missouri's External Review Process

Issued December 28, 2011

To: All health insurance companies in Missouri
From: John M. Huff, Director
Re: Missouri's External Review Process

This bulletin contains information of interest to insurers writing health insurance coverage in this state.

The Missouri Department of Insurance, Financial Institutions and Professional Registration has received notification from the U.S. Department of Health and Human Services (HHS) of their final determination regarding the Missouri external review process.

HHS has determined the Missouri external review process meets the standards of the NAIC-parallel process as of January 1, 2012. Because of this determination, the Department will continue to administer the Missouri external review process for all fully insured health plans issued in the State of Missouri and there is no requirement for health plans to use the federally-administered external review process. HHS has advised this determination will remain in place so long as there are no reductions in the consumer protections currently afforded under Missouri law.

Persons with questions are encouraged to contact the Division of Insurance Consumer Affairs at 573-751-2640.



DIVISION OF WORKERS' COMPENSATION

3315 West Truman Boulevard, Room 131
P.O. Box 58
Jefferson City, MO 65102-0058
Phone: 573-751-4231
Fax: 573-751-2012
www.labor.mo.gov/DWC
E-mail: workerscomp@labor.mo.gov

JEREMIAH W. (JAY) NIXON
GOVERNOR

LAWRENCE G. REBMAN
DEPARTMENT DIRECTOR

JOHN J. HICKEY
DIVISION DIRECTOR

MEMORANDUM

TO: All Workers' Compensation Insurance Companies, Self-Insured Employers,
Group Trusts and Third-Party Administrators

FROM: Lawrence G. Rebman, Director 
Missouri Department of Labor and Industrial Relations

John M. Huff, Director 
Missouri Department of Insurance, Financial Institutions and
Professional Registration

DATE: October 28, 2011

SUBJECT: Workers' Compensation Administrative Tax, Administrative Surcharge and
Second Injury Fund Surcharge for the 2012 Calendar Year

As required by Sections 287.690, 287.716 and 287.715 RSMo, the State of Missouri shall impose a workers' compensation administrative tax, administrative surcharge and Second Injury Fund surcharge. For calendar year 2012, the administrative tax will be **1.0 percent**, the administrative surcharge will be **1.0 percent** and the Second Injury Fund surcharge will be **3.0 percent**.

Section 287.690 RSMo authorizes the imposition of an administrative tax not to exceed two percent. Section 287.716 RSMo authorizes the imposition of an administrative surcharge at the same rate as the administrative tax. The revenue from the administrative tax and the administrative surcharge is used to fund the expenses associated with the administration of the Missouri Workers' Compensation law.

The revenue generated by the Second Injury Fund surcharge is used to pay benefit and expense liabilities of the fund. Pursuant to section 287.715 RSMo, the Second Injury Fund surcharge shall not exceed three percent.

Additional information about the functions and services of the Division of Workers' Compensation and the Second Injury Fund may be found at www.labor.mo.gov/DWC/.

The Department of Labor and Industrial Relations and the Department of Insurance, Financial Institutions and Professional Registration look forward to working with you in 2012. If you have questions or need additional information, contact the Division of Workers' Compensation at 800-775-2667 or the Department of Insurance, Financial Institutions and Professional Registration at 800-394-0964.